



2002 Annual Report

**A Report on The Activities And
Policy Recommendations Of The
National Women's Business Council
For Fiscal Year 2002**

★ *Submitted February 2003* ★

To the President and Members of Congress:

I am pleased to submit, on behalf of its members, the National Women's Business Council's Annual Report for fiscal year 2002. The Council is honored to advocate for the nation's more than 9 million women-owned businesses. As one of the fastest growing segments of our country's business community, women-owned enterprises are a vital contributor to the well being of our economy.

This report reflects a transition period in the momentum of the Council from one of relative inactivity due to the absence of a Chair, to a period of accelerated action in the last quarter of the fiscal year.

Upon accepting the appointment to the Chair in May, actions were taken to fill staff positions, nominate members for council vacancies and identify projects for funding that would be most meaningful to the business development needs of women business owners. Among these are:

- Evaluation of a women-friendly credit scoring system;
- A Capitol Hill Roundtable on healthcare issues;
- Outreach "issues discussions" in major cities to identify the business development needs that most impact the success of women-owned enterprises (in association with The Schlesinger Library's national touring exhibit "Enterprising Women"); and
- Further analysis of existing census data to better understand the trends and economic contributions of women-owned businesses.

In keeping with the Council's mandate to inform the policy debate through adding to the body of research available on women-owned businesses, two significant studies were completed in 2002:

- A national evaluation of best practices in access to capital programs; and
- A study that demonstrates that the capability of women-owned firms is not a rationale for under-representation in federal subcontracting.

The National Women's Business Council is committed to continuing the important work of identifying those issues which are fundamental to the success of women-owned businesses, to educate and connect the women's business community and to serve as a leading advocate for our nation's women entrepreneurs. In this way, the Council can best advance all of our economy's stakeholders to create a stronger business community and nation.

Respectfully,

A handwritten signature in black ink, reading "Marilyn Carlson Nelson". The signature is fluid and cursive, with the first name "Marilyn" being the most prominent.

Marilyn Carlson Nelson
Chair, National Women's Business Council

Table of Contents

Executive Summary	1
Programs and Initiatives	1
Policy Recommendations	2
Introduction	4
FY2002 Programs and Initiatives	4
Access to Capital Program Review	4
Women-Owned Business Capacity in Federal Subcontracting	5
Launching Women-Owned Firms: A Longitudinal Study	6
Other Program Initiatives Underway	7
Trend in Growth of Women-Owned Firms	7
Enterprising Women, Yesterday and Today: An Issues Discussion	7
The Existence and Effectiveness of Mentoring Programs for Women in Business....	7
Micro-Credit Opportunities for Women Business Owners:	
The Count-Me-In Model	8
Access to Affordable Health Care: Background Research and Issues Discussion	8
Regional Economic Seminars: Data Analysis	8
Policy Recommendations	9
Appendix A: Council Mission and Statutory Authority	10
Council Mission	10
Statutory Authority – Women’s Business Ownership Act of 1988	
(Public Law 100-553)	10
Appendix B: Council Members	14
Chair	14
Marilyn Carlson Nelson	14
Women Business Owners	15
Laura Henderson	15
Vivian Shimoyama	16
Patricia Pliego Stout	16
Sheila Talton	16
Women’s Organizations	17
Association Of Women’s Business Centers	17
National Association Of Women Business Owners	17
National Coalition Of 100 Black Women	17
U.S. Hispanic Chamber Of Commerce	18
Women’s Business Enterprise National Council	18

Executive Summary

Programs and Initiatives

Fiscal year 2002 was a year of transition for the National Women's Business Council. The beginning of the fiscal year was ushered in without a Chair, with several vacancies on the Council, and with virtually no staff in place. In May 2002, however, a new Chair – Marilyn Carlson Nelson – was appointed to lead the Council. And, by the end of the fiscal year, new candidates for all the vacancies had been submitted for vetting, Council staff was selected, and plans were well-underway for a full slate of programs and activities in fiscal year 2003.

Despite the aforementioned vacancies, the Council was active on a number of key initiatives – access to capital, access to markets, and access to training and technical assistance – all of which remain key challenges for women business owners and important public policy concerns. The following summarizes some of the key findings from these research studies:

- **ACCESS TO CAPITAL – Local Program Best Practices.** In a review of over one hundred access to capital programs across the country, including a detailed analysis of nine such programs, it was found that successful programs share these common characteristics:
 - **Community Focus:** A focus on the local community in which they operate proves to be a strategy for success. This community focus not only is evidenced in the way in which the organizations obtain financial support from local agencies and organizations, but also through an active local volunteer base of trainers, mentors, in-kind service providers, and strategic business support.
 - **Feedback Response:** Successful programs heed not only their own advice, but respond well to the feedback of others: clients, funding organizations, and other strategic partners.
 - **Realistic Expectations:** Successful programs counsel clients on the skills, time commitment, and perseverance required of business ownership, providing essential tools and support, but also providing a necessary vetting process for prospective owners.
 - **Staff Commitment and Experience:** Having not only a dedicated and committed staff, but leaders and trainers with real-world business skills is another essential component of a successful program.
- **ACCESS TO FEDERAL SUBCONTRACTS – Capability Not an Issue.** Women-owned firms continue to be under-represented in the Federal procurement arena. With respect to subcontracting in particular, they received just under 5% of reported subcontracts in FY1999 and 2000. A newly-released analysis of the capacity of women-owned small firms has disproved the theory that this under-representation may be due to a lower ability of women-owned firms to perform in the Federal procurement arena. The share of measurable subcontract spending with women-owned small firms as a share of all subcontracting was just under 5% in fiscal years 1999 and 2000, while the overall capacity of women-owned firms is approximately 20% of all small firms. Therefore, there is an underutilization of women-owned businesses in Federal subcontracting. If parity with all small firms is 1, the current disparity ratio of women-owned small firms in the subcontracting arena is 0.6.

- **IMPACT OF TRAINING & TECHNICAL ASSISTANCE.** The National Women's Business Council is supporting a multi-year study of the effects of training and technical assistance on women-owned firms. During a three-year period, the study will follow a randomly-selected population of nearly 800 clients of four women's business centers – interviewing them four times at six-month intervals. While the study is still underway, preliminary findings indicate that:
 - **Women's business centers are meeting their mission of reaching out to underserved populations.** The clients of the women's business centers participating in the study are more ethnically and economically diverse than are women business owners in general.
 - **Women's business centers are serving a valuable role in enterprise creation.** Four in ten (42%) of the study participants have already started or acquired their own firms.
 - **Women's business center clients are loyal and regular users of center services,** averaging 7.7 visits per year.
 - **Women's business centers are an important early resource for women thinking about starting a business.** In the first round of interviews, women business centers were included in respondents' list of resources. Later interviews indicated the inclusion of additional information sources.
 - **The business start-up experience is having a positive impact on women's lives.** Fully three-quarters (76%) of the business owners interviewed in the second round of interviewing said that their current business ownership experience is positively affecting their personal life.

Policy Recommendations

Given the activities of the Council during fiscal year 2002 in the areas of: access to capital assistance programs; access to Federal procurement markets, particularly subcontracting; and access to training and technical assistance, the National Women's Business Council offers the following policy recommendations to the President, Congress, and the U.S. Small Business Administration on behalf of the Nation's 9.1 million women-owned businesses:

- Encourage local control and decision-making with respect to access to capital assistance programs. Successful programs have a strong local focus.
- Continued Federal funding for such programs should require state and local government and/or private sector matching of funds, as well as mechanisms to monitor and report on program effectiveness and response to client feedback.
- The Bush Administration should fully implement its October 2002 strategy on contract unbundling, to ensure that procurement opportunities remain open to all small businesses, including women-owned businesses.
- An important part of this effort should be to focus attention on ensuring prime contractor compliance with subcontracting plans and goals. Further, prime contractors should be held accountable for subcontracting goals, and penalized if these goals are not met.
- Continue to fully fund the women's business center program. Research now underway indicates that the centers are meeting their mission of reaching out to underserved populations, serving a valuable role in enterprise creation, and having a positive economic and social impact in their communities.

- The National Women's Business Council pledges its continued support to the SBA's Office of Women's Business Ownership to study even more effective ways to:
 - Conduct research on the impact of the women's business center program;
 - Design more effective client feedback mechanisms; and
 - Make grant award and administration decisions.

Introduction

Fiscal year 2002 was a year of transition for the National Women's Business Council. The beginning of the fiscal year was ushered in without a Chair, with several vacancies on the Council, and with virtually no staff in place. In May 2002, however, a new Chair – Marilyn Carlson Nelson – was appointed to lead the Council. And, by the end of the fiscal year, new candidates for all the vacancies had been submitted for vetting, Council staff was selected, and plans were well-underway for a full slate of programs and activities in fiscal year 2003.

Despite the aforementioned vacancies, the Council was active on a number of key initiatives – access to capital, access to markets, and access to training and technical assistance – all of which remain key challenges for women business owners and important public policy concerns. And at the end of the fiscal year, a number of new initiatives were begun with important implications for the ongoing success of women business owners.

FY2002 Programs and Initiatives

Access to Capital Program Review

Women-owned businesses are playing an increasingly important role in the U.S. economy. They are growing in numbers at twice the rate of all U.S. firms, and employment in women-owned firms is increasing at one and a half times the national rate. They are diversifying as well, both in terms of the industries their firms represent and the ethnic background of their owners. Yet, access to capital remains problematic. Studies have found that some women business owners still feel that banks are unwilling to lend to them,¹ and those who do have lower levels of bank credit and capital available to them.² Concurrent with these trends, or perhaps as a result, is significant growth in the number of training and assistance programs for women business owners seeking access to capital for business growth and development. An important study conducted for the National Women's Business Council, released in late 2002, focused on this issue, profiling nine such programs, and highlighting their common traits and practices.

“Getting to Success: Helping Women Business Owners Gain Access to Capital”³ found, through a review of over one hundred access to capital programs across the country and a detailed analysis of nine such programs, that successful programs share these common characteristics:

- **Community Focus:** A focus on the local community in which they operate is shown to be a strategy for success. This community focus not only is evidenced in the way in which the organizations obtain financial support from local agencies and organizations, but also through an active local volunteer base of trainers, mentors, in-kind service providers, and strategic business support.

¹ Women Still Lack Access to Capital, NFO WorldGroup press release, as cited on <http://www.wahmpreneur.org>, April 15, 2002.

² Center for Women's Business Research, *Capital, Credit and Financing: An Update*, 1998. See <http://www.womensbusinessresearch.org>.

³ Conducted for NWBC by Synthesis Professional Services, a woman-owned business headquartered in Rockville, MD.

- **Feedback Response:** Successful programs heed not only their own internal advice, but respond well to the feedback of others: clients, funding organizations, and other strategic partners. Successful organizations are also proactive in seeking feedback through customer satisfaction surveys, newsletters, web-based communications, and meetings and conferences.
- **Realistic Expectations:** Successful programs counsel clients on the skills, time commitment, and perseverance required of business ownership, providing essential tools and support, but also providing a necessary vetting process for prospective owners.
- **Staff Commitment and Experience:** Having not only a dedicated and committed staff, but leaders and trainers with real-world business skills is another essential component of a successful program. Hands-on training requires the instilling of practical skills as opposed to textbook theory, and these successful programs share that characteristic.

Women-Owned Business Capacity in Federal Subcontracting

While the number and economic clout of women-owned businesses continue to grow across the country, the share of Federal contracting dollars awarded to women's business enterprises has not kept pace. As of 1999, women-owned firms comprised 38% of the business population, accounted for 25% of employment and contributed 18% of all firm revenues. The number of women-owned firms doubled between 1992 and 1999, employment tripled, and revenues skyrocketed four-fold.⁴ In comparison, the share of prime Federal contract dollars awarded to women-owned firms stood at 2.2% as of Fiscal year 1999, up from just 1.3% in FY1992, and the share of subcontracting dollars stood at 4.6% as of FY1999, compared to 0.7% in FY1992.⁵

There is no question that women-owned firms are under-represented in the Federal contracting arena. Some have surmised that this under-representation could be because the "capacity" of women-owned businesses is not at the same level as that of other businesses. "Women-Owned Small Businesses in Federal Subcontracting: Measures and Data"⁶ took a look at the issue of business capacity, focusing on the subcontracting arena in particular. The study reviewed the share of Federal subcontracting going to women-owned small firms with an eye toward analyzing whether or not the share is representative of the total capacity of women-owned firms. The study found that:

- The share of measurable subcontract spending with women-owned small firms as a share of all subcontracting was just under 5% in fiscal years 1999 and 2000, while the overall capacity of women-owned firms is approximately 20% of all small firms. Therefore, there is an underutilization of women-owned businesses in Federal subcontracting. If parity with all small firms is 1, the current disparity ratio of women-owned small firms in the subcontracting arena is 0.6.
- The largest prime Federal contractors are utilizing women-owned subcontractors at a lesser rate than are the firms that have contracts of lower value. For example, while the overall share of

⁴ NFWBO (now Center for Women's Business Research). (1999). 1999 Facts on Women-Owned Businesses: Trends in the U.S. and the 50 States.

⁵ Federal Procurement Data Center, as reported by US Small Business Administration, Office of Advocacy in State of Small Business reports. Note: prime contracts are direct contract awards from the government to a business, while subcontracts are those awarded by a prime contractor to another supplier.

⁶ Conducted for the Council by MacroSys Research and Technology, a minority-owned firm headquartered in Washington, DC.

reported Federal subcontracting to women-owned small firms was 4.7% in FY2000, it was 8.6% among the prime contractors that subcontracted less than \$1 million, but only 3.7% among prime contractors that subcontracted \$100 million or more.

Launching Women-Owned Firms: A Longitudinal Study

Since 2000, the National Women's Business Council has lent its support to a multi-year project to analyze the impact of training and technical assistance on women-owned firms.⁷ Over a three-year period, the study will follow a randomly-selected population of nearly 800 clients of four women's business centers – interviewing them four times at six-month intervals – to chart the progress of their enterprises, and to assess the impact of training, technical assistance and other factors on the growth and development of their firms. It will look at which clients start their firms and which do not, which firms grow and which do not, and why. The final study report will be published in 2003, but here are some of the interesting findings the study has uncovered thus far:

- **Women's business centers are meeting their mission of reaching out to underserved populations.** The clients of the women's business centers participating in the study are more ethnically and economically diverse than are women business owners in general. The study participants are more likely to be women of color (42%) than the average woman business owner (approximately 20%). One quarter (23%) had less than \$20,000 in household income, and 7% had no income.
- **Women's business centers are serving a valuable role in enterprise creation.** Four in ten (42%) of the study participants have already started or acquired their own firms. Of course, many of these firms are still small. In one quarter (25%) of the firms, the owner is the sole employee, and also in one quarter (24%) of the firms, no revenues were recorded in the previous year.
- **Women's business center clients are loyal and regular users of center services.** Those interviewed in the first of four rounds of interviewing have been clients of their respective women's business centers for an average of 2.3 years, and during this time, study participants have averaged a total of 17.7 visits to their respective center, for an average of 7.7 visits per year.
- **Women's business centers are an important early resource for women thinking about starting a business.** In the first round of interviewing, the centers and other public sector sources such as Small Business Development Centers (cited by 18% of respondents), local community colleges (11%), and the Service Corps of Retired Executives (10%) were key sources of information. Six months later, center clients had branched out to include the Internet (24%), other entrepreneurs (22%), and friends and/or family (22%) as important additional sources of business information.
- **The business start-up experience is having a positive impact on women's lives.** Fully three-quarters (76%) of the business owners interviewed in the second round of interviewing said that their current business ownership experience is positively affecting their personal life. Just over half (53%) of the clients who were in the business planning stages also said that their start-up experience was having a positive impact on their

⁷ The study is being conducted by Center for Women's Business Research. The other underwriters of the project are American Express, the American Express Foundation and the AT&T Foundation.

personal life. Fully 69% of the ex-business owners also felt that their business ownership experience had a positive impact. A smaller share of these clients said that their entrepreneurial experiences have thus far had a positive impact on their economic situation. Just under half (48%) of the business owners, one-quarter (26%) of the ex-business owners, and 13% of the prospective business owners surveyed reported that their business start-up or ownership experience had thus far impacted their economic situation positively. As one might expect, a majority of clients who own established businesses said that the entrepreneurial experience has impacted their economic situations positively, while those who owned younger firms were less likely to agree.

Other Program Initiatives Underway

At the end of fiscal year 2002, a number of new research studies and programs were launched and are expected to be published in 2003. This will be highlighted in next year's annual report. Following is a brief summary of these initiatives:

Trend in Growth of Women-Owned Firms

The NWBC has entered into a ground-breaking agreement with the Census Bureau to produce annual tabulations on the growth in the number, employment and revenue of women-owned employer firms. These are the only data available annually between Census years, and will provide a detailed, more up-to-date picture of trends in women's entrepreneurship. The tables to be produced will include information on establishment growth in number, employment and revenue by state and by industry. The first set of tabulations will cover the years 1997-1998, 1997-1999, and 1997-2000.

Enterprising Women, Yesterday and Today: An Issues Discussion

The Schlesinger Library at the Radcliffe Institute of Advanced Studies has mounted an exhibit highlighting the history of women's enterprises over the past 250 years. Entitled, "Enterprising Women: 250 Years of American Business," the exhibit profiles a variety of women business owners and their stories throughout the history of the United States. The exhibit opened in October 2002 at the National Heritage Museum in Lexington, MA, and will travel to five additional cities (New York, Atlanta, Washington, DC, Los Angeles, and Detroit) over the next 24 months. This traveling exhibit provides a perfect opportunity to convene a series of issues discussions among local women business owners and organizations. The NWBC will convene three such discussions during 2003, in Boston, New York, and Atlanta. Drawing upon some of the individual stories of the women profiled, local businesswomen will look at the progress that women in business have made, and turn their attention to the challenges that still remain. These focus group discussions will be coordinated with local SBA district offices, and will be summarized in a report containing recommendations for public policy action.

The Existence and Effectiveness of Mentoring Programs for Women in Business

A key element to successful business growth and development is the availability of situation-specific training and technical assistance. While formal programs such as those offered by Small Business Development Centers and Women's Business Centers play a key role, so can the one-on-one assistance offered through mentoring relationships. This project will provide a literature review of existing information and research specifically focused on business and entrepreneurial mentoring programs to assess what elements of such programs seem most effective, as well as profiles of

programs targeted specifically toward women business owners. The results of this background research and analysis will inform possible future research into this issue, and will offer useful information to program providers.

Micro-Credit Opportunities for Women Business Owners: The Count-Me-In Model

While access to traditional forms of debt capital for women already in business has improved greatly in recent years, access to capital for start-ups remains more difficult. A new micro-credit lending program, Count-Me-In for Women's Economic Independence, offers a new model for credit scoring that may provide insight for public sector micro-lending programs. This project will examine this new model, assessing its structure, client profile, and repayment record. By examining this proprietary model and client database, the Council may uncover implications for broadening the impact of such a micro-credit methodology.

Access to Affordable Health Care: Background Research and Issues Discussion

Access to affordable health care has become one of the most important and urgent issues facing business owners today. It is estimated that 60% of the 41 million uninsured in the U.S. are small business owners.⁸ This project consists of two elements: first, a literature review and analysis of existing research to determine the differential impact of this issue on women-owned firms; and second, the organization and convening of a roundtable discussion on the issue involving the leaders of women's business and industry association leaders, women business owners, policy analysts, and elected officials. While the research analysis will focus more broadly on the issue of access and affordability, the issue discussion will hone in on several of the proposals now actively under consideration on Capitol Hill, namely Association Health Plans and Medical Savings Accounts. Both phases of this project will produce reports that will be useful in furthering public policy discussions and action.

Regional Economic Seminars: Data Analysis

During 2002, the U.S. Small Business Administration and the Department of Labor, with support from the White House and the National Women's Business Council, held a national women's business summit, followed by regional summits in Connecticut, Missouri, Tennessee and Texas. These meetings were designed to provide women business owners, women's business association leaders, and service providers the opportunity to discuss important issues and challenges facing the women's business community, and to learn more about government programs that exist to assist entrepreneurial development. The national summit drew over 1,200 participants, and each of the regional seminars attracted between 300 and 600 attendees. At the above-mentioned economic seminars, participants answered questions pertaining to the issues facing them in their businesses via hand-held radio-controlled devices, which provided nearly instant feedback to the audiences. The Council has received the data that were collected during each of these meetings, and will analyze and report on the findings and the implications for women's enterprise.

⁸ National Federation of Independent Business, <http://www.nfib.com/>.

Policy Recommendations

Given the activities of the Council during fiscal year 2002 in the areas of: access to capital assistance programs; access to Federal procurement markets, particularly subcontracting; and access to training and technical assistance, the National Women's Business Council offers the following policy recommendations to the President, Congress, and the U.S. Small Business Administration on behalf of the Nation's 9.1 million women-owned businesses:

Access to Capital Assistance Programs

- Encourage local control and decision-making with respect to access to capital assistance programs. Successful programs have a strong local focus.
- Continued Federal funding for such programs should require state and local government and/or private sector matching of funds, as well as mechanisms to monitor and report on program effectiveness and response to customer feedback.

Federal Subcontracting to Women-Owned Firms

- The Bush Administration should fully implement its October 2002 strategy on contract unbundling, to ensure that procurement opportunities remain open to all small businesses, including women-owned businesses.
- An important part of this effort should be to focus attention on ensuring prime contractor compliance with subcontracting plans and goals. Further, prime contractors should be held accountable for subcontracting goals, and penalized if these goals are not met.

Training and Technical Assistance for Women Business Owners

- Continue to fully fund the women's business center program. Research now underway indicates that the centers are meeting their mission of reaching out to underserved populations, serving a valuable role in enterprise creation, and having a positive economic and social impact in their communities.
- The National Women's Business Council pledges its continued support to the SBA's Office of Women's Business Ownership to study even more effective ways to:
 - Conduct research on the impact of the women's business center program;
 - Design more effective customer feedback mechanisms; and
 - Make grant award and administration decisions.

Appendix A: Council Mission and Statutory Authority

Council Mission

The National Women's Business Council is a bi-partisan Federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations.

The National Women's Business Council is committed to:

- **conducting** research on issues of importance to women business owners and their organizations;
- **communicating** these findings widely;
- **connecting** the women's business community to public policy makers and to one another; and
- providing a platform for **change** in order to expand and improve opportunities for women business owners and their enterprises – from start-up to success to significance.

Statutory Authority – Women's Business Ownership Act of 1988 (Public Law 100-553)

Sec. 405. Establishment of the National Women's Business Council.

There is established a council to be known as the National Women's Business Council, which shall serve as an independent source of advice and policy recommendations to the Interagency Committee, to the Administrator through the Assistant Administrator of the Office of Women's Business Ownership, to the Congress, and to the President.

Sec. 406. Duties of the Council.

(a) In general.--The Council shall advise and consult with the Interagency Committee on matters relating to the activities, functions, and policies of the Interagency Committee, as provided in this title. The Council shall meet jointly with the Interagency Committee at the discretion of the chairperson of the Council and the chairperson of the Interagency Committee, but not less than biannually.

(b) Meetings.--The Council shall meet separately at such times as the Council deems necessary. A majority of the members of the Council shall constitute a quorum for the approval of recommendations or reports issued pursuant to this section.

(c) Recommendations.--The Council shall make annual recommendations for consideration by the Interagency Committee. The Council shall also provide reports and make such other recommendations as it deems appropriate to the Interagency Committee, to the President, to the Administrator (through the Assistant Administrator of the Office of Women's Business Ownership), and to the Committees on Small Business of the Senate and the House of Representatives.

(d) Other duties.--The Council shall--

- (1) review, coordinate, and monitor plans and programs developed in the public and private sectors, which affect the ability of women-owned business enterprises to obtain capital and credit;
- (2) promote and assist in the development of a women's business census and other surveys of women-owned businesses;
- (3) monitor and promote the plans, programs, and operations of the departments and agencies of the Federal Government which may contribute to the establishment and growth of women's business enterprise;
- (4) develop and promote new initiatives, policies, programs, and plans designed to foster women's business enterprise;
- (5) advise and consult with the Interagency Committee in the design of a comprehensive plan for a joint public-private sector effort to facilitate growth and development of women's business enterprise;
- (6) not later than 90 days after the last day of each fiscal year, submit to the President and to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, a report containing--

- (A) a detailed description of the activities of the council, including a status report on the Council's progress toward meeting its duties outlined in subsections (a) and (d) of section 406 [this note];
- (B) the findings, conclusions, and recommendations of the Council; and
- (C) the Council's recommendations for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

(e) Form of Transmittal.--The information included in each report under subsection (d) [of this note] that is described in subparagraphs (A) through (C) of subsection (d)(6), shall be reported verbatim, together with any separate additional, concurring, or dissenting views of the Administrator.

Sec. 407. Membership of the Council.

(a) Chairperson.--The President shall appoint an individual to serve as chairperson of the Council, in consultation with the Administrator. The chairperson of the Council shall be a prominent business woman who is qualified to head the Council by virtue of her education, training, and experience.

(b) Other members.--The Administrator shall, after receiving the recommendations of the Chairman and the Ranking Member of the Committees on Small Business of the House of Representatives and the Senate, appoint, in consultation with the chairperson of the Council appointed under subsection (a), 14 members of the Council, of whom--

(1) 4 shall be--

- (A) owners of small businesses, as such term is defined in section 3 of the Small Business Act [15 U.S.C. 632]; and
- (B) members of the same political party as the President;

(2) 4 shall--

- (A) be owners of small businesses, as such term is defined in section 3 of the Small Business Act [15 U.S.C. 632]; and
- (B) not be members of the same political party as the President; and

(3) 6 shall be representatives of women's business organizations, including representatives of women's business center sites.

(c) Diversity.--In appointing members of the Council, the Administrator shall, to the extent possible, ensure that the members appointed reflect geographic (including both urban and rural areas), racial, economic, and sectoral diversity.

(d) Terms.--Each member of the Council shall be appointed for a term of 3 years.

(e) Other Federal service.--If any member of the Council subsequently becomes an officer or employee of the Federal Government or of the Congress, such individual may continue as a member of the Council for not longer than the 30-day period beginning on the date on which such individual becomes such an officer or employee.

(f) Vacancies.--

(1) In general.--A vacancy on the Council shall be filled not later than 30 days after the date on which the vacancy occurs, in the manner in which the original appointment was made, and shall be subject to any conditions that applied to the original appointment.

(2) Unexpired term.--An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(g) Reimbursements.--Members of the Council shall serve without pay for such membership, except that members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council, in the same manner as persons serving on advisory boards pursuant to section 8(b) of the Small Business Act [section 637(b) of the this title].

(h) Executive director.--The Administrator, in consultation with the chairperson of the Council, shall appoint an executive director of the Council. Upon the recommendation by the executive director, the chairperson of the Council may appoint and fix the pay of 4 additional employees of the Council, at a rate of pay not to exceed the maximum rate of pay payable for a position at GS-15 of the General Schedule. All such appointments shall be subject to the appropriation of funds.

(i) Rates of pay.--The executive director and staff of the Council may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and except as provided in subsection (e), may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the executive director may not receive pay in excess of the annual rate of basic pay payable for a position at ES-3 of the Senior Executive Pay Schedule under section 5832 of title 5, United States Code.

Sec. 408. Definitions.

For purposes of this title--

(1) the term 'Administration' means the Small Business Administration;

(2) the term 'Administrator' means the Administrator of the Small Business Administration;

(3) the term 'control' means exercising the power to make policy decisions concerning a business;

(4) the term 'Council' means the National Women's Business Council, established under section 405;

(5) the term 'Interagency Committee' means the Interagency Committee on Women's Business Enterprise, established under section 401;

(6) the term 'operate' means being actively involved in the day-to-day management of a business;

(7) the term 'women's business enterprise' means--

(A) a business or businesses owned by a woman or a group of women; or

(B) the establishment, maintenance, or development of a business or businesses by a woman or a group of women; and

(8) the term 'women-owned business' means a small business which a woman or a group of women--

- (A) control and operate; and
- (B) own not less than 51 percent of the business.

Sec. 409. Studies and Other Research.

(a) In general.--The Council may conduct such studies and other research relating to the award of Federal prime contracts and subcontracts to women-owned businesses, to access to credit and investment capital by women entrepreneurs, or to other issues relating to women-owned businesses, as the Council determines to be appropriate.

(b) Contract authority.--In conducting any study or other research under this section, the Council may contract with one or more public or private entities.

Sec. 410. Authorization of Appropriations.

(a) In general.--There is authorized to be appropriated to carry out this title \$1,000,000, for each of fiscal years 2001 through 2003, of which \$550,000 shall be available in each such fiscal year to carry out section 409 [of this note].

(b) Budget review.--No amount made available under this section for any fiscal year may be obligated or expended by the Council before the date on which the Council reviews and approves the operating budget of the Council to carry out the responsibilities of the Council for that fiscal year.

[Section 409 repealed, sections 410 and 411 redesignated as 409 and 410, and amended by Pub.L. 106-554, § 1(a)(9) [Title VII, § 703 to 705], Dec. 21, 2000, 114 Stat. 2763, 2763-____.]

Appendix B: Council Members

The National Women's Business Council began fiscal year 2002 without a chair and with several council member vacancies. In May of 2002, a new chair, Marilyn Carlson Nelson, was appointed to a three-year term. As the fiscal year ended, nominees were being vetted to fill the remaining vacancies.

Following is a listing of the Council members who served during fiscal year 2002.

Chair



Marilyn Carlson Nelson
Chairman/CEO
Carlson Companies, Inc.

Marilyn is Chairman and Chief Executive Officer of one of the largest privately held companies in the world.

Carlson Companies is the parent corporation of a global group of integrated companies focusing on Consumer Services and Corporate Solutions. The companies specialize in travel, hotel, restaurant, cruise and marketing services. With headquarters in Minneapolis, Minnesota, Carlson-related brands employ some 190,000 people around the world.

Among the names in the Carlson family of brands and services are: Carlson Marketing Group®, Carlson Wagonlit Travel®, Regent® International Hotels, Radisson® Hotels & Resorts, Country Inns & Suites By Carlson®, Park Plaza® and Park Inn® hotels, Results Travel, Cruise Holidays, Radisson Seven Seas Cruises®, and T.G.I. Friday's® and Pick Up Stix® restaurants.

Marilyn is a regular on *Fortune* magazine's list of the Most Powerful Women in Business, and has been selected by *Business Week* as one of the Top 25 Executives in Business. She has been ranked by *Travel Agent* magazine as "the Most Powerful Woman in Travel" annually since 1997. Under her leadership, in 2001 and 2002 Carlson Companies was named to the 100 Best Companies for Working Mothers list by *Working Mother* magazine, and in 2002 the company was named one of the 100 best companies to work for by *Fortune* magazine.

Marilyn was National Chair of the Travel Industry Association of America in 2000 and currently is a member of the Council of the World Economic Forum and serves on the Forum's Board of Governors for Travel and Tourism. She has led that organization's discussion of the global travel and tourism industry since 1997. In 1996, Marilyn served as a delegate to the White House Conference on Tourism, and as a board member of the USA's National Tourism Organization from 1996-1998.

She currently serves on the boards of Exxon-Mobil Corporation and the Mayo Clinic Foundation. In 2002, she was appointed by President George W. Bush to chair the National Women's Business Council. The council serves as an independent source of advice and counsel to the President, Congress, the U.S. Small Business Administration and the Interagency Committee on Women's Business.

Marilyn holds the Woodrow Wilson Award for Corporate Citizenship from the Woodrow Wilson Center for International Scholars, and currently serves on the International Advisory Council. She has also served on the

advisory board of the Hubert H. Humphrey Institute of Public Affairs, the Curtis L. Carlson School of Management and the Juran Center for Leadership in Quality.

In 1982, Marilyn was awarded the Royal Order of the North Star by King Carl XVI Gustaf of Sweden, and in 1983, the Order of the White Rose from Finland President Martti Ahtisaari.

Marilyn graduated from Smith College with a degree in international economics and attended the Sorbonne in Paris and the Institute des Hautes Etudes Economiques Politiques in Geneva, Switzerland, studying political science and international economics.

Other Awards (Partial List)

- Lifetime Achievement Award by International Hotel Investment Forum, Berlin, Germany, 2002
- Responsible Capitalism Award by *FIRST Magazine*, London, England, 2001
- "Businesswoman of the World" by Business Women's Network, 2001
- Cutting Edge Award by American Hotel & Lodging Association (AHLA), 2001
- "Hospitality Executive of the Year" by Penn State Hotel and Restaurant Society, 2000

Women Business Owners



Laura Henderson
President and CEO
Prospect Associates

Laura Henderson is the Founder, President & CEO of Prospect Associates, one of the most respected health communications and biomedical research firms in the United States. From its start in 1979, Prospect has grown from a handful of employees with a \$30,000 start-up fund to 160 employees and sales over \$16 million. By integrating scientific disciplines with the communications arts, Prospect has been able to provide a comprehensive range of services and products to meet public health needs. Henderson is the past Chair and current member of the Board of Directors of Center for Women's Business Research and has directed the Center's Gillian Rudd "Leadership Institute," providing leadership and development for women business owners. She has received numerous awards and honors, including SBA's "Women in Business Advocate of the Year" in 1991, Inc. Magazine's "Best Small Companies to Work for in America," and "Mother of the Year" by the March of Dimes.



Vivian Shimoyama
President and CEO
Breakthru Unlimited

Vivian Shimoyama is the Founder, President and CEO of Breakthru Unlimited, a company that designs and manufactures projects with a message: hand-made glass artwork of jewelry, executive gifts, limited editions and custom awards. Through her unique products and services, the company is dedicated to promoting the advancement of women and people of color and accelerating the process of equality for future generations. Her popular 'Breaking the Glass Ceiling' line of jewelry has adorned the lapels of such notables as Hillary Clinton and Elizabeth Dole. Currently, she serves as the Chair of the Board of Directors for NAWBO-Los Angeles. A self proclaimed devout networker, Shimoyama was a facilitator for the 1997 White House America's Economic Leadership Summit and Chairperson for the 44th Annual World Congress of Women Business Owners. In 1999 she was selected as SBA's "Women's Business Advocate of the Year."



Patricia Pliego Stout
CEO and Owner
The Alamo Travel Group

Patricia Pliego Stout is the CEO and Owner of The Alamo Travel Group headquartered in San Antonio, Texas. A dynamic entrepreneur with more than 15 years experience in the airline and travel industry, Pliego Stout has grown her company into the fourth largest travel agency in Texas. She serves on the San Antonio Hispanic Chamber of Commerce Board of Directors, is Vice Chair of the Texas Association of Mexican American Chambers of Commerce (TAMACC), and is a charter member of the San Antonio Chapter of NAWBO. She was recently appointed to the board of Center for Women's Business Research.



Sheila Talton
Ex Officio
Unisource Network Services

Sheila Talton served as President and Chief Executive Officer of Unisource Network Services for over 14 years. She founded the company with initial capital of \$600,000. Unisource Network Services provides design engineering and consulting services in the following areas: call centers, local area networks, wide area networks, voice communications, and multimedia/integration services. Ms. Talton built the service solution offerings, staff to support the service solution offering, and she built the staff to support the functional areas of the business: finances, marketing, sales, and delivery.

Ms. Talton's current focus is on the E-Commerce and CRM solution offerings. Her background in networking, voice communications, voice, data, and video integration, as well as her executive level business experience positions her well to lead or be on the executive team to develop and execute an organization's E-Commerce and/or CRM strategy.

Women's Organizations



Agnes Noonan
Designee
Association Of Women's Business Centers

The Association of Women's Business Centers (AWBC) represents the interests of the more than 100 non-profit women's business assistance centers throughout the United States. Its mission is to develop and strengthen women's business centers and foster the growth and success of women business owners. The AWBC focuses on 4 key activities: advocacy, development of funding sources, facilitation of information exchange, and research. AWBC is represented by Agnes Noonan, Executive Director of the Women's Economic Self-Sufficiency Team (WESST Corp), a women's business center headquartered in Albuquerque, New Mexico.



Whitney Johns Martin
Past President
National Association Of Women Business Owners

The National Association of Women Business Owners (NAWBO) with its 7,500 members, 76 chapters and international affiliate, Les Femmes Chefs d'Entreprises Mondiales, with members in 33 countries, propels women entrepreneurs into economic, social, and political spheres of power worldwide. Its mission is to strengthen the wealth-creating capacity of its members and promote economic development; create innovative and effective changes in the business culture; build strategic alliances, coalitions and affiliations; and transform public policy and influence opinion makers. NAWBO and its members have been active participants in local, state and federal advocacy initiatives on behalf of small business including the 1982, 1986 and 1995 White House Conferences on Small Business. NAWBO's affiliate organizations are Center for Women's Business Research, which has been recognized as the premier source of information and research on women business owners and their enterprises worldwide, and the National Women Business Owners Corporation, a national organization which pioneers initiatives to enhance competition by women business owners for corporate and government contracts. Whitney Johns Martin, NAWBO's Past President and Co-founder/CEO of Capital Across America, is their representative on the Council.



Dr. Lydia Mallett
President
National Coalition Of 100 Black Women

The mission of the National Coalition of 100 Black Women (NCBW), a nonprofit, volunteer organization, is to develop female leaders who will help to rebuild their communities and redirect the energies of younger Black people who live in those communities. In addition, NCBW is dedicated to community service and the enhancement of career opportunities through networking and programming. As an advocacy organization, it seeks to empower African American women through various programs. The NCBW's President, Dr. Lydia Mallett, is their representative on the National Women's Business Council.



Elizabeth Lisboa-Farrow

Chair

U.S. Hispanic Chamber Of Commerce

In 1979, a few dedicated Hispanic leaders realized the enormous potential of the Hispanic business community in the United States and envisioned the need for a national organization to represent its interests before the public and private sectors. Later that year, the United States Hispanic Chamber of Commerce (USHCC) was incorporated in the state of New Mexico, creating a structured organization aimed at developing a business network that would provide the Hispanic community with cohesion and strength. Since its inception, the USHCC has worked towards bringing the issues and concerns of the nation's more than 1 million Hispanic-owned businesses to the forefront of the national economic agenda. Throughout the years, the Chamber has enjoyed outstanding working relationships with international Heads of State. Also, through the network of nearly 200 Hispanic Chambers of Commerce and Hispanic business organizations, the USHCC has effectively communicated the needs and potential of Hispanic Enterprise to the U.S. Government and Corporate America.



Susan Bari

President

Women's Business Enterprise National Council

The Women's Business Enterprise National Council (WBENC) is dedicated to enhancing opportunities for women's business enterprises. In partnership with women's business organizations throughout the United States, WBENC provides a national certification standard and an Internet accessible database of certified WBEs - WBENCLink. WBENC's goal is to foster diversity in the world of commerce. Its programs and policies are designed to expand opportunities and eliminate barriers in the marketplace for women business owners. WBENC works with representatives of corporations to encourage the utilization and expansion of supplier/vendor diversity programs. Susan Bari, WBENC's President, is their representative on the National Women's Business Council.



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